



# Legislative Update

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### HOUSE OF REPRESENTATIVES PASSES COMPREHENSIVE VETERANS BILL, H.R. 1627

On 31 July 2012, the House agreed on the Senate Amendment to [H.R. 1627, the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012](#), passing the bill in its entirety by voice vote. Earlier this past month, the Senate unanimously passed the bill, see AUSN Capitol Hill Blog on Senate passage, and it now travels to President Obama's desk for its signature into law. The revised bill would amend Title 38, United States Code (USC), to furnish hospital care and medical services to veterans who were stationed at Camp Lejeune, North Carolina, while the water was contaminated, to improve the provision of housing assistance to veterans and their families, and other purposes. Research has shown that approximately 750,000 Navy and Marine Corps personnel and family members may have been exposed to carcinogens in the drinking water. Furthermore, the Senate marked up H.R. 1627 to contain more than 50 other provisions covering various health benefits, housing, burial and insurance programs that were pending by the Senate Veterans' Affairs Committee, some of which were priority bills of interest to AUSN.

Details can be found by going to [AUSN's Capitol Hill Blog on House passage of Senate amended H.R. 1627](#).

### HOUSE ARMED SERVICES COMMITTEE HEARING ON DEFENSE SEQUESTRATION

On Wednesday, 1 August 2012, the House Armed Services Committee (HASC) held a hearing about sequestration implementation from Administration officials. The witnesses were Acting Director of the Office of Management and Budget (OMB), Mr. Jeffery Zients and Deputy Secretary of the Department of Defense (DOD), Mr. Ashton Carter. HASC Chairman, Representative Buck McKeon (R-CA-35), shared his displeasure about the failure of Congress to come to an agreement on deficit reduction and a balanced budget. He then stated what most Republicans repeated throughout the hearing: that the President has been silent about avoiding sequestration since the Senate killed his deficit proposal. He then balked at what he determined to be, "partisan non-sense," referring to the Department of Labor telling firms they do not have to give lay-off notices under the Worker Adjustment and Retraining Notification Act (WARN Act). The Chairmen said, "Each company will have to make its own conclusion as to whether or not the layoffs are 'foreseeable.' But I don't want to dwell on that ill-conceived guidance. Business leaders will do what they think is in the best interests of their employees and shareholders, and we are here today to talk about OMB's planning."

Committee members had very heated discussions with the witnesses. Representative J. Randy Forbes (R-VA-04) asked Director Zients why the President has not laid out any preparations for sequestration. Director Zients responded that his biggest concern was that Republicans and Democrats find a balanced budget approach that would have an appropriate amount of both cuts and tax increases. Representative Jeff Miller (R-FL-01), who also serves as Chairman of the House Veterans' Affairs Committee (HVA), asked Director Zients why the President has yet to send any other budgetary action to Congress since the failed vote in the Senate. Director Zients replied that his chief concern is the Republican failures to make the top two percent of income earners pay their fair share in taxes. This was a point of friction between Congressman Miller and Director Zients as the two exchanged heated counter points as to the implementation and solution towards sequestration. Representative Doug Lamborn (R-CO-05) also asked Director Zients what is going to happen to contracts made during Fiscal Year 2012 (FY12) that do not end until Fiscal Year

2013. Director Zients stated that any contracts that are not fully obligated by the end of FY12 will be subject to the ramification of sequestration.

An interesting exemption from sequestration that the President recently made was to military personnel funding for Fiscal Year 2013 (FY13). Secretary Carter said that if the President wished to exempt personnel funding, he would have to inform Congress by 10 August 2012 the amount he wishes to exempt. However, the cost of exemption would mean larger offsets in other DOD accounts to compensate for the personnel funding exemption. In terms of equipment, and assuming proportional cuts, the military will buy four fewer F-35 Joint Strike Fighters, one fewer P-8 aircraft, 12 fewer Stryker fighting vehicles and 300 fewer Army medium and heavy tactical vehicles compared to the President's request for FY13. Secretary Carter went on to say that the pending cuts would also delay a host of Navy shipbuilding programs, such as new carriers, destroyers and the Littoral Combat Ship (LCS). He continued to state that the Department of Defense will implement sequestration for each program specifically, "at a lower level of detail," identifying the more than 2,500 programs, projects, and activities that must be reduced by the same percentage. Noting that specific programs cannot be "saved" from the brunt of sequestration alone without offsets elsewhere, and, "Absent a reprogramming action, the inflexible nature of the sequester law means that DOD would have no authority to vary the amount of the reductions."

### **HOUSE VETERANS AFFAIRS JOINT SUBCOMMITTEE HEARING ON VETERAN BUSINESS CONTRACTS**

On 2 August 2012, the House Veterans' Affairs Committee (HVA), Subcommittee on Economic Opportunity and the Subcommittee on Oversight and Investigations held a Joint HVA hearing on veteran small business contracts. The hearing began with Oversight and Investigations Chairman, Representative Bill Johnson (R-OH-06), stating that the goals for improving the process for veteran-owned and service-disabled veteran-owned small businesses to conduct business with the Department of Veterans' Affairs (VA) have yet to be achieved, even with the installation of a new Executive Director of Small Business and Veteran Programs at the VA. He noted that the Committee's own investigations and multiple Government Accountability Office (GAO) investigations have shown that the processes implemented by the Center for Veterans Enterprise (CVE) to verify and re-verify businesses are not working and the recommendations made by GAO and the VA's Inspector General are going unheeded. Although, the Chairman was pleased to find out that the VA will move from annual re-verification to a bi-annual re-verification to help cope with the CVE's business re-verification problem.

One major issue presented was the VA's decision to ignore the Small Business Administration's regulations regarding ownership and control of a business. The VA made the decision to create its own standards regarding "ownership and control" and has led to the CVE applying inconsistent standards to businesses applying for verification. In some instances, these arbitrary requests have needlessly hurt legitimate, veteran owned small businesses. It was also noted in the hearing that the federal judicial branch also found that the CVE's improvised standards were lacking, with HVA Members pointing out that several of the grounds for denying the application for inclusion in the VetBiz VIP database are described in ambiguous terms leaving the court to guess the precise basis for the agency's decision. Apparently this characterization describes the experience of many businesses who have applied for certification and been denied.

### **SENATE APPROPRIATIONS COMMITTEE PASSES DEFENSE APPROPRIATIONS BILL**

On 2 August 2012, the full Senate Appropriations Committee (SAC) marked up its draft Fiscal Year 2013 (FY13) Defense Appropriations bill and passed it by a 30-0 vote. Two days prior, the Senate Appropriations Committee, Subcommittee on Defense marked up the draft bill and approved it by voice vote (see [AUSN Capitol Hill Blog on SAC-D markup](#) for additional details). The draft bill will now be reported to the full Senate for consideration. The defense spending bill supplies \$604.5 billion to the Pentagon and National Security programs, which contains \$511.2 billion for the Pentagon's base budget and \$93.3 billion for Overseas Contingency Operations (OCO), essentially for the war in Afghanistan. In addition, for the Defense Health Program (DHP) the Committee recommended \$32 billion. The Senate's bill total funding complies with the Budget Control Act of 2011 (BCA), Public Law 112-25, which concluded the 2011 debt ceiling crisis last summer when the law increased the debt limit by \$400 billion and mandated Congress to reach a conclusion on \$1.2 trillion in cuts.

In the draft Committee Report, recently released, it stated that the Senate Appropriations Committee, "does not concur with the [President's Budget] recommendation to prematurely retire 9 Navy ships and provides over \$2.3 billion to man, operate, equip, and modernize these ships." Additionally, the Senate Appropriations Committee included over \$770 million for Advance Procurement for a tenth Virginia Class Submarine, \$1 billion for another DDG-51 Arleigh-Burke Destroyer and \$263.3 million for Advance Procurement of an amphibious warship. These funds were not included in the budget request.

Also included in the report were identified shortfalls in the President's Budget Request. These include \$293 million for Navy

Operation and Maintenance (O&M), for increased aircraft carrier, intelligence, surveillance and reconnaissance assets, and mine countermeasure ships presence the U.S. Central Command Area of Responsibility and finally \$1 billion for National Guard and Reserve Equipment Account (NGREA) to help alleviate the \$37 billion equipment shortfall identified by the Reserve Components.

Details can be found by going to [AUSN's Capitol Hill Blog on SAC passage of Draft FY13 Defense bill](#).

### **AUSN ON THE HILL**

This past week, AUSN monitored a few hearings, as well as the markup of the FY13 Defense Appropriations bill by the Senate Appropriations Committee. In addition to monitoring these important hearings and markups, AUSN met with staff of Representative Joe Heck (R-NV-03), senior staff of the Senate Armed Services Committee (SASC) and staff of Senator Jim Webb (D-VA). These meetings focused primarily on sequestration concerns, Navy equipment funding levels, veteran status legislation, the retroactive retirement credit for reservists, and what to expect when the National Defense Authorization Act (NDAA) gets considered for a future Senate vote and eventual conference with the House. AUSN was also present and active at The Military Coalition (TMC) meeting this past week; where of the many things discussed were the Continuing Resolution (CR) being shaped for consideration in September to continue to fund the Federal government at the same levels as FY12, a forthcoming companion bill to [S. 3203, the Military Healthcare Protection Act](#), that is going to be introduced soon by Representative Jon Runyan (R-NJ-03) and looking at key provisions, such as Pharmacy copays, in both the House and Senate FY13 National Defense Authorization Act (NDAA), that the TMC would like to see enacted (deferring to the House provisions as described in [AUSN's Capitol Hill Blog on the Pharmacy Copay provisions](#)).

### **PRIORITY BILLS INTRODUCED THIS WEEK**

**H.R. 6266, (Official title yet to be released).** Introduced by Representative Jon Runyan (R-NJ-03), the bill would amend title 10, United States Code, to limit increases in the certain costs of health care services under the health care programs of the Department of Defense.

**H.R. 6261, (Official title yet to be released).** Introduced by Representative Louie Gohmert (R-TX-01), the bill would amend title 37, United States Code, to provide for the continuance of pay and allowances for members of the Armed Forces, including reserve components thereof, during lapses in appropriations.

In the advocacy section of the website, you can click on [Bills of Interest](#) to get daily revisions on Congressional action for priority bills. I STRONGLY encourage you all to visit our [Advocacy](#) page, especially the [Capitol Hill Blog](#) which receives almost daily submissions when Congress is in session to see what AUSN is doing for you on Capitol Hill.

We also encourage you and your friends and family to visit the re-designed [AUSN FACEBOOK PAGE](#). If you have an account, please Login and "Like" us, which will allow you to see our TWITTER feeds and other updates from AUSN that shows us monitoring Capitol Hill on your behalf!

### **NEW LEGISLATIVE ALERTS**

There were no new legislative alerts this week. Again, when these alerts are sent to your email, please click on the TAKE ACTION link that is at the top of the alert email to send a letter response to your Members of Congress (a few of you have written in that you wish to send letters, but don't know how). Please continue to go to the [Legislative Alerts](#) section on the AUSN webpage and/or check your e-mail and submit ones you haven't seen yet to your Congressional delegation as Congress continues its markups and consideration of Authorization and Appropriation bills.

### **INTERN ANNOUNCEMENT**

**LAST CALL!!!!!!** AUSN is looking for unpaid Legislative Interns to start as early as late August/early September and continue throughout the fall. Candidates should have, or be pursuing, a degree in Political Science/ Government Affairs or Communications. Strong writing and personal skills a must as well as an interest and passion for the United States Navy and Navy Reserve.

In addition to administrative tasks, i.e. answering phones and helping to schedule appointments, interns will monitor and write After Action Reports on Congressional Hearings of interest such as House and Senate Armed Services, Appropriations and Veterans' Affairs Committee hearings. Interns will also have the opportunity to attend meetings with Congressional Staff along with the Legislative Director as well as other meetings off of Capitol Hill. The Legislative Director is also willing to oversee a research project of the intern's interest if they are pursuing class credit for the internship.

Candidates can submit a cover letter, resume and 1-2 page writing sample to the Director of Legislation, Mr. Anthony A. Wallis at [Anthony.Wallis@ausn.org](mailto:Anthony.Wallis@ausn.org) or fax it to 703-683-3647 by August 10. Schedules are flexible/negotiable and Metrorail travel reimbursement is available to interns as well as free parking at our headquarters off of King Street in Alexandria. Further details can be found at [AUSN's Legislative Intern webpage](#).

#### **NEXT WEEK OUTLOOK**

Next week, and up until the 7th of September, Congress will be out of session for its annual August recess month. Upon their return, both the House and the Senate will have a full agenda which includes a Continuing Resolution (CR) which, as a result of the inability to pass any of the appropriation bills this year, will fund the Federal government at the same levels Fiscal Year 2012 (FY12) for a certain period of time (most likely for 6 months, taking the budget debate well into 2013). Also on the agenda will be Senate floor consideration of the [FY13 National Defense Authorization Act \(NDAA\), S. 3254](#), which upon its consideration and adoption of floor amendments, will go to conference where the bill would see final passage and be sent to the President's desk for signature, hopefully before the end of the year.

As a result of Congress being in recess the next month, there will be no Legislative Updates in the coming weeks, pending an unusual circumstance of Hill action during this month. However, AUSN will continue to meet with staffers during the off month in order to prepare for the coming debates before and after the election and monitor the Hill for any new updates on sequestration, Appropriation and Authorization bills. Regular weekly Legislative Updates will resume the week of 10 September 2012.

The Association of the United States Navy is continuously on and/or monitoring Capitol Hill, advocating for your concerns and utilizing our strong relationships with Members of Congress, Staff and cooperating with other military associations to tell the Navy and our veterans' story. This is an ALL HANDS ON DECK effort and your grassroots advocacy will help make the changes that need to happen!

#### **QUESTIONS/COMMENTS/CONCERNS**

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